

CHILDREN'S COMMUNITY CHARTER SCHOOL

FISCAL POLICIES

A. Budget Development, Oversight Calendar & Responsibilities

Children's Community Charter School will develop and monitor its budget in accordance with the annual budget development and monitoring calendar as specified below.

January – February

- Upon release from the State of California, review the Governor's proposed state budget for the upcoming fiscal year (July 1–June 30). The Board of Directors may also choose to appoint a Finance Committee. (*Board Treasurer, Business Manager, Principal*)
- Preparation and review of proposed budget priorities. Board review and approval. (*Board Treasurer, Business Manager, Principal, Board of Directors*)
- Develop rough planning budget for upcoming fiscal year, including projected enrollment and any proposed staffing changes. (*Business Manager, Principal*)
- Develop three year budget projection in accord with the school's established strategic and growth plans. (*Business Manager, Principal*)
- Submission of P-1 Attendance Accounting Report after December 31st. (*Business Manager, Office Manager*)
- Ongoing monitoring and revision of current year budget including preparation and Board certification of current year 2nd Interim Report. The Board approves any revisions to budget and a copy is sent to the charter granting agency. (*Business Manager, Principal, Board of Directors*)

March – April

- Submission of P-2 Attendance Accounting Report after April 15th. (*Business Manager, Office Manager*)
- Continued preparation of formal budget plan for upcoming fiscal year. (*Business Manager, Principal*)
- Ongoing monitoring and revision of current year budget. (*Business Manager, Principal, Board of Directors*)
- Solicit bids for annual audit and select auditor. (*Business Manager, Principal, Board of Directors*)

May – June

- Review of revenue projections subsequent to the Governor’s annual “May Revise” budget figures and fine tune the upcoming fiscal year budget to accommodate any changes. *(Business Manager, Board Treasurer, Principal)*
- Review and formal adoption of budget for the upcoming fiscal year before June 15th. A copy of the budget is provided to the charter granting agency. *(Board of Directors)*
- Ongoing monitoring and revision of current year budget. *(Business Manager, Principal, Board of Directors)*

July – August

- Books for prior fiscal year are closed, all transactions are posted and records are assembled for audit. *(Business Manager, Board Treasurer, Principal, Office Manager)*
- Unaudited Actuals (3rd Interim Report) for prior fiscal year is completed after books are closed. *(Business Manager, Principal)*
- Budget review subsequent to the adoption of the State Budget Act and necessary adjustments are made for current year budget. If budget is revised, a final budget is approved by the Board and a copy provided to the charter granting agency. *(Business manager, Principal)*

September – December

- Unaudited Actuals are reviewed by Board and submitted to charter granting agency prior to September 15. *(Business Manager, Principal, Board of Directors)*
- Independent Auditor performs audit of prior fiscal year and prepares audit report for Board and submission to CA Department of Education. *(Business Manager, Office Manager, Principal, Staff as requested by Auditor, Board of Directors)*
- Board reviews audit report and addresses any audit findings. Follow up plans are submitted to charter granting agency. *(Business Manager, Principal, Board of Directors)*
- Ongoing monitoring and revision of current year budget including preparation and Board certification of current year 1st Interim Report. The Board approves any revisions to budget and a copy is sent to the charter granting agency. *(Business Manager, Principal, Board of Directors)*

B. Controls, Budget and Fiscal Management

Children’s Community Charter School will maintain in effect the following principles in its ongoing fiscal management practices to ensure that, (1) expenditures are authorized by and in accord with amounts specified in the board-adopted budget, (2) the school’s funds are managed and held in a manner that provides a high degree of protection of the school’s assets, and (3) all transactions are recorded and documented in an appropriate manner.

Segregation of Duties

Children's Community Charter School will develop and maintain simple requisition, reimbursement request and purchase order forms to document the authorization of all non payroll expenditures. Ongoing monthly expenses are not subject to requirement of a requisition form. All other proposed expenditures must be approved by the Principal who will review the proposed expenditure and determine whether it is consistent with the Board-adopted budget and sign the requisition form.

The Business Manager will review the approved requisition, reimbursement or purchase order request, verify funds and process a check. All transactions will be posted in an electronic ledger by the Business Manager who will ensure transactions are appropriately coded according to Standardized Account Code Structure (SACS). To further guarantee segregation of duties, the Business Manager will not sign checks.

Budget Transfers and Purchasing Authority

The Principal, with the consensus of the Business Manager may transfer up to \$5000 from one unrestricted budget item to another without Board approval, but shall notify the Board of the transfer at the next regularly scheduled Board meeting.

The Principal may authorize purchases up to \$2000 without Board approval. An exception would be made in case of emergencies that necessitate the purchase of emergency response supplies, equipment or services. This would need to be reported to the Board at the next regularly scheduled meeting.

Banking Arrangements

Children's Community Charter School will maintain its accounts either in the County Treasury or at a federally insured commercial bank or credit union. Funds will be deposited in non-speculative accounts including federally insured savings or checking accounts or invested in non-speculative federally backed instruments. If funds are held outside of the County Treasury, the Board must appoint and approve all individuals authorized to sign checks, transfer funds or access the accounts.

The Business Manager will reconcile the school's ledgers with its bank accounts on a monthly basis and prepare a Profit & Loss Statement and Balance Sheet. The Board will regularly review these statements.

The school will deposit all funds received within two working days or as soon as practical upon receipt.

A petty cash fund, not to exceed \$300, may be established with an appropriate ledger to be reconciled at least on a quarterly basis by the Business Manager.

Purchasing Procedures and Capitalization Threshold

All purchases over \$1000 shall include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The Principal shall not approve requisitions or purchase orders lacking this documentation. Documentations shall be attached to all purchase requests showing at least three vendors were contacted.

Children's Community Charter School has established a capitalization threshold of \$5000. Any assets above the threshold will be depreciated in accordance with standard accounting procedures. Assets below the threshold will be expensed in the fiscal year in which they are purchased.

Record Keeping

Transactions ledgers, cancelled/ duplicate checks, attendance and entitlement records, payroll, records and any other necessary fiscal documents will be maintained by school staff in a secure location for as long as required by applicable law.

Property Inventory

The Principal, Business Manager and Director of Maintenance shall establish and maintain an inventory of all non-consumable goods and equipment valued over \$500. This inventory shall include the original purchase price and date, a brief description, serial numbers and other information appropriate for documenting the school's assets. This property will be inventoried on an annual basis and lists of missing property shall be presented to the Board.

All non-consumable property lent to students must be returned to the school no later than five working days after the end of the school year.

Any excess or surplus property owned by the school may be sold or auctioned by the Principal provided the Principal engages in due diligence to maximize the value of the sale/auction. The sale or auction of property owned by the school with a fair market value in excess of \$1000 shall be approved in advance by the Board.

Payroll Services

Children's Community Charter School may appoint in house staff or contract with a reputable payroll contractor to prepare payroll checks, tax and retirement withholdings, tax statements, retirement reporting and all other payroll support functions. The Principal and Business Manager will establish and oversee a system to prepare time and attendance reports and submission of payroll check requests.

The Business Manager will review monthly payroll reports to ensure that (1) the salaries are consistent with staff contracts and personnel policies and (2) the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority.

All staff expense reimbursements will be on checks separate from payroll checks.

Upon hiring of staff, a personnel file will be established with all appropriate payroll related documentation. This documentation includes but is not limited to federal I-9, W-4 tax withholding, retirement and health benefits selection forms.

Attendance Accounting

The Principal and Office Manager will establish and maintain an appropriate attendance accounting system to record the number of days students are in attendance at school. The annual audit will review the attendance data and practice to ensure compliance with the Charter Schools Act and California Education Code defining Charter School Average Daily Attendance. Therefore:

ADA will be computed by dividing the actual number of days of student attendance by the number of calendar days of instruction.

The school's instructional calendar will include at least 175 days of instruction to avoid the fiscal penalty imposed the California Education Code. The calendar should also document the instructional minutes offered by the school as pursuant to applicable law.

Short term Independent Study must be pre-arranged by the student's parent or adult guardian in advance. The parent/guardian will be required to complete and submit documentation of engagement in instructional activity as per the school's Independent Study policy

Annual Financial Audit

Children's Community Charter School's Board of Directors will annually contract for the services of an independent Certified Public Account to conduct the annual fiscal audit required by law. The audit shall include, but not be limited to (1) the accuracy of the school's financial statements, (2) the school's attendance accounting and revenue claims practices, (3) the school's internal controls practices.

The audit shall be completed by December 15th. The audit will be reviewed by the Board of Directors and submitted to the charter-granting agency, the County Office of Education, the Office of the State Controller and the California Department of Education.

C. Property and Liability Insurance

The Principal and Business Manager will ensure that the school retains appropriate property and liability insurance coverage. Property insurance shall be obtained and address business interruption and casualty needs including fire, flood, earthquake and other hazards with replacement cost coverage for all assets listed in the school's property inventory. Premises and Board Errors and Omissions liability shall also be obtained and kept in force at all times. The school shall also obtain Excess Liability insurance coverage for no less than \$5 million per occurrence.

D. Board Compensation

Board members shall serve without compensation, but may be reimbursed for actual and necessary expenses. Expenses for travel to conferences, etc. must have advance approval from the full Board of Directors. All expenses reimbursed shall be documented by receipts and in no event may reimbursement exceed actual expense.

E. Authority to Enter into Contracts, Agreements and Leases

Except as otherwise states in these policies, the Principal may enter into contracts, agreements and leases not to exceed \$2,500 without Board approval, provided sufficient funds are authorized and available within the school's board-adopted budget. Contracts, leases and agreements in excess of \$2,500 must be submitted for board approval and may be executed by the Principal or other person specifically designated by the Board after the Board has duly approved the contract/lease/agreement.

F. Fundraising and Grant Solicitation

All fundraising activities or grant solicitation on behalf of the school must be approved by the Board or the Board Treasurer. The Board shall be informed of any conditions, restrictions or compliance requirements associated with the receipt of such funds, including grants or categorical programs sponsored by the state or federal government. The Board shall be notified at the next regular meeting of the award or receipt of any funds.